

The President's Daily Brief

August 12, 1975

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FOR THE PRESIDENT ONLY

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PORTUGAL

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The conciliatory tone of Communist leader Cunhal's statement Sunday [redacted]

[redacted] shows a growing concern over the increased violence in northern Portugal and over the increasing political isolation of the Communists. Cunhal called for changes in the government to broaden its support and improve its efficiency. He also stressed a need to overcome widening rifts between civilian organizations and within the military.

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The Communist leader appeared to back away from his previous tough positions, renewing an earlier Communist theme that his party is willing to work with all groups that "cooperate with the goals of the revolution." Cunhal also mentioned the need for Portugal to maintain close relations with capitalist countries--especially those in the EC.

A softer Communist line is also evidenced by renewed Soviet interest in a broadly based leftist coalition in Lisbon. The Soviet press has in recent weeks treated the Portuguese Socialists harshly, but in reporting on a recent meeting between Soviet and Italian Communist delegations *Pravda* noted that both sides "advocated unity of action" by all forces of the left, including the Socialists.

Cunhal's remarks had no immediate effect on anti-Communist activity in northern Portugal. In Braga, violence continued for a second day. Demonstrators there burned down the party's headquarters and destroyed the offices of the Communist-dominated Portuguese Democratic Movement and the Communist-controlled labor confederation.

General Pinto Soares has resigned from the Revolutionary Council and from his post as head of the military academy to protest the way decisions are made in the Armed Forces Movement and the continuing radicalization of the military. He voiced even stronger opposition to the dissidents' document drafted by former foreign minister Antunes, which he labeled "divisionist" and "opportunistic."

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[] sources told the US embassy that they still hope to avoid the use of force to remove Goncalves. They expect to demonstrate so much support within the military that President Costa Gomes will have no alternative but to dismiss Goncalves and his newly formed government. President Costa Gomes' performance to date, however, has raised speculation in Lisbon that he may be reluctant to move against Goncalves because of the close ties between their families or because he is being blackmailed by radical officers for alleged cooperation with the Caetano regime.

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Antunes' group claims to have the backing of most enlisted men and presumably thinks it can count on them for a show of force. The dissidents may be overestimating their support, however, because the men have been subjected to considerable Communist and extreme left-wing propaganda.

Goncalves is unlikely to relinquish power without a struggle, and he still has considerable backing. Despite Cunhal's more conciliatory tone, Communists in the unions and the media would probably lend their support to an effort to maintain Goncalves in office.

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EGYPT

President Sadat received a pessimistic assessment [] from the Egyptian military on its capability to sustain an offensive. []

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[] because of low stock-piles and the lack of spares from the Soviets, Egypt faces a choice of either going to war by the end of this year or "forgetting all about it" for at least three and one half years until resupply [] could be effectively absorbed. Egypt's options [] could be improved only by major reequipment across the board from electronics to tank parts, presumably from the Soviets.

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[] if an offensive were launched before the end of the year, it could be sustained for no more than six days and would achieve no more than "40 percent" of the accomplishments of the October 1973 war.

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Despite these shortages, Egypt's forces appear to be continuing their training without major restrictions. The need for supplies during intensive fighting, however, would be many times greater than during a peacetime training program.

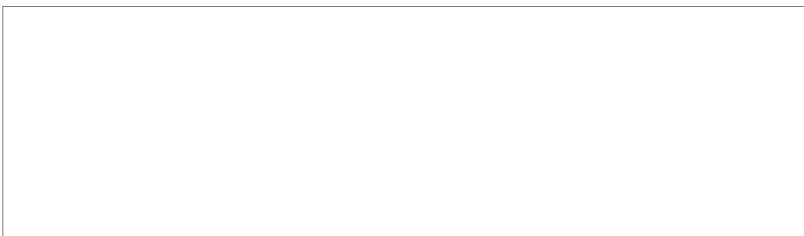
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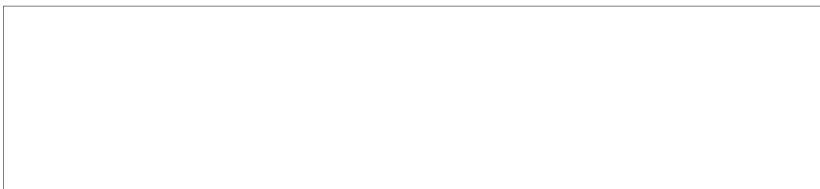
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JORDAN-SYRIA

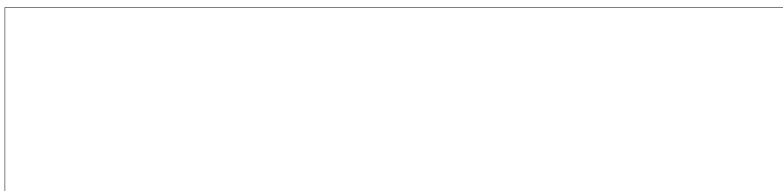
King Husayn may sign further agreements strengthening economic, as well as military cooperation, with Syria when he visits Damascus next week.



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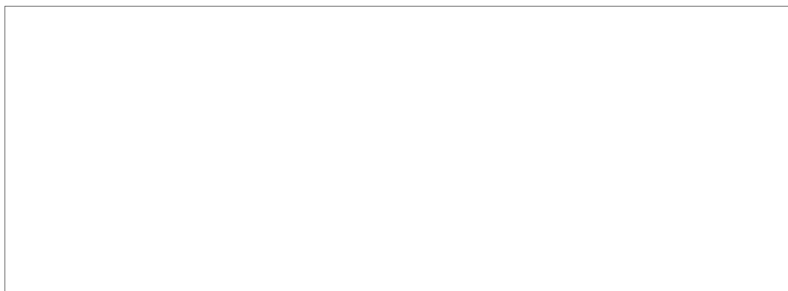


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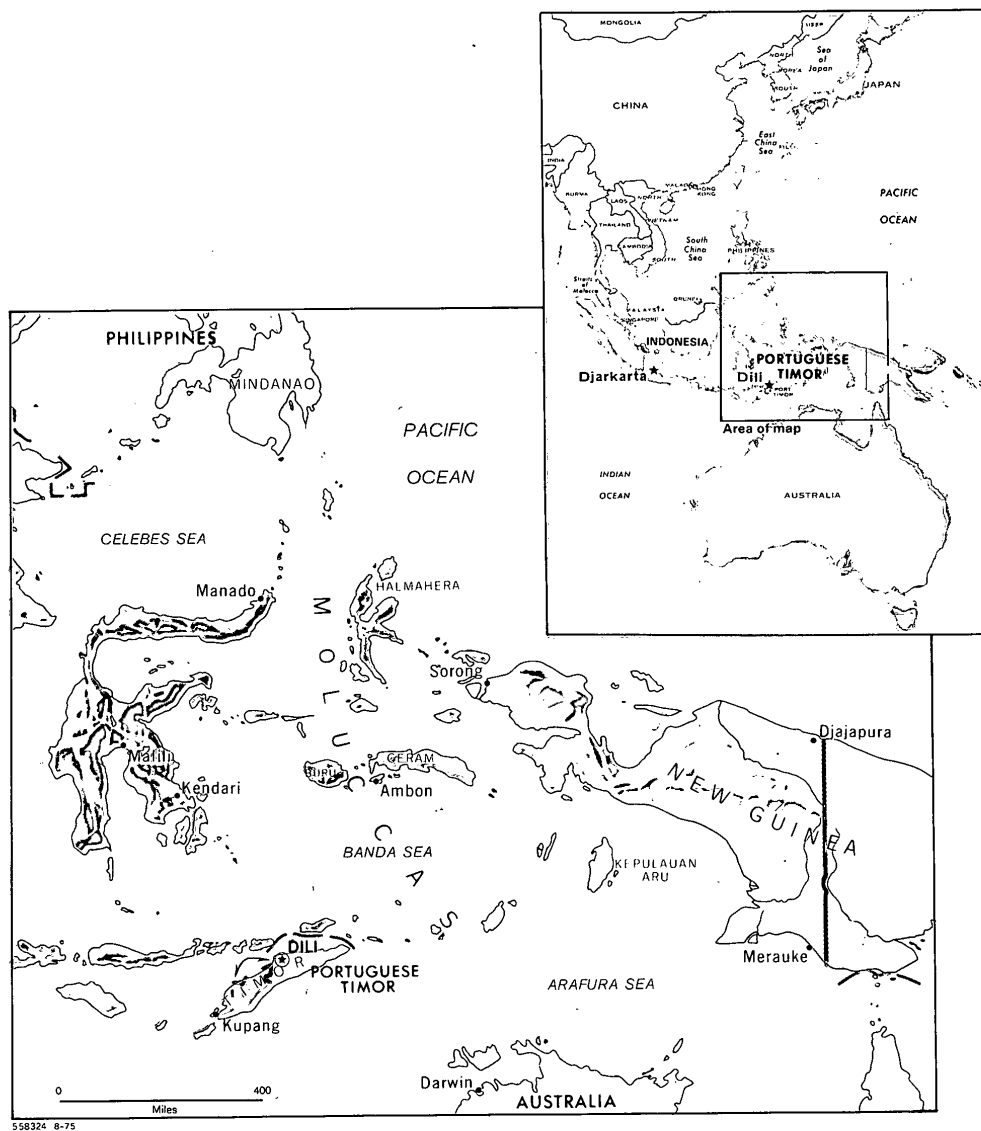


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Husayn apparently has become convinced that better relations with Syria will not only improve Jordan's standing among the other Arabs--especially vis-a-vis the Palestine Liberation Organization--but will also yield substantial economic benefits. The King probably has also concluded that staying on the sidelines in October 1973 cost him his claims to the West Bank.



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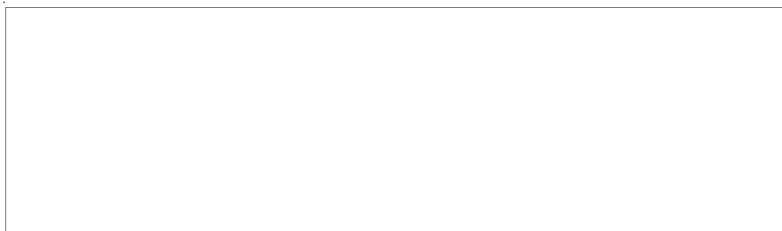
PORTUGUESE TIMOR



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Information about the situation in Timor is still sketchy. Initial reports, however, indicate that members of the Timor Democratic Union Party, an anti-communist, pro-independence group, occupied communications centers, the airport, the police station, and surrounded the Portuguese military headquarters in Dili. It is not clear, however, whether they were seeking to take full control of the government from the Portuguese authorities.

There has been no reaction from the local Portuguese troops, most of whom apparently were out of the capital conducting education missions. The Portuguese governor is reported to have met with the dissidents, but there has been no word on the meeting's outcome.



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President Suharto to this point has avoided using force in the Timor situation because he was concerned about Indonesia's international image and particularly the reaction from Australia and the US. The same considerations still apply and his inclination, despite pressure from his military to invade, may be to wait for further developments in Timor before committing himself.

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AZORES

The following are our principal judgments on the prospects for Azorean independence.

The continued domination of Portugal by pro-Communist and radical leftist factions is likely to trigger a move for independence in the Azores in the next few months.

For a variety of reasons, the present Portuguese leadership would experience great difficulty in mobilizing the necessary forces to put down such a rebellion.

With good timing and organization, a revolt having the support of a majority of the island's military commanders and soldiers would probably succeed.

Should non-radicals come to power in Lisbon, however, and take steps to grant additional autonomy and ameliorate the island's economic grievances, sentiment for complete separation from the mainland would decline.

An Azorean revolt at this time could jeopardize present efforts by the anti-Communist forces to return Portugal to a more democratic course, particularly if the pro-Communist and radical leftists could plausibly connect such a move with conservative groups.

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NOTES

The Soviet F-class submarine which developed problems in the Mediterranean last Wednesday entered Alexandria harbor yesterday accompanied by a submarine repair ship.

The F-class has been on the surface since Thursday morning moving toward Alexandria under its own power. Repair at Alexandria rather than by a repair ship at sea suggests that the damage is serious. We do not yet know the nature of the problem or whether any of the crew was injured.

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Prince Sihanouk [] is having second thoughts about returning to Cambodia []

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[]
Sihanouk [] has received two or three invitations to return to Cambodia and now believes he can no longer postpone his decision. His delay probably reflects his wariness at placing himself even temporarily under the control of Phnom Penh's communist authorities. The Khmer communists do have some old scores to settle with the Prince, but they may now view his international prestige as a useful symbol of legitimacy. If the Prince decides to return, he will probably make a brief visit to Phnom Penh next month, and then go on an official visit to several friendly countries.

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The Laotian communists are planning three to five days of demonstrations in Vientiane this week to formally end the city's neutrality.

Once the 1973 accords, which gave the responsibility for security and other local functions to joint communist and non-communist organizations, are abrogated, the communists will assume direct control, abolish joint governing bodies, and change local officials. Anti-US and anti-Thai demonstrations apparently will be staged as offshoots of the main effort.

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The Indian Supreme Court's decision to rule on the constitutionality of last week's amendment to the constitution that placed election of the prime minister above challenge in the courts will delay, but is unlikely to alter, a final outcome favoring Gandhi.

Four of the five justices on the Supreme Court panel that will begin hearing arguments on the case on August 25 have been described by our embassy in New Delhi as the "most committed" to Gandhi of the 13 on the court. A finding in her favor is therefore quite possible. Even if she were to lose on the constitutional issue, the court may void her June conviction by a lower court because of recent changes in the electoral law by parliament. Finally, if the court procedure fails her, Gandhi can use her overwhelming majority in parliament to help her--possibly by creating a constituent assembly to make basic changes in the constitution.

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